

VZCZCXRO0118  
RR RUEHRG  
DE RUEHSO #0536 2810826  
ZNR UUUUU ZZH  
R 070826Z OCT 08  
FM AMCONSUL SAO PAULO  
TO RUEHC/SECSTATE WASHDC 8575  
INFO RUEHBR/AMEMBASSY BRASILIA 9706  
RUEHRG/AMCONSUL RECIFE 4217  
RUEHRI/AMCONSUL RIO DE JANEIRO 8879  
RUEHBU/AMEMBASSY BUENOS AIRES 3267  
RUEHAC/AMEMBASSY ASUNCION 3514  
RUEHMN/AMEMBASSY MONTEVIDEO 2790  
RUEHSG/AMEMBASSY SANTIAGO 2514  
RUEHLP/AMEMBASSY LA PAZ 3927  
RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC

UNCLAS SAO PAULO 000536

SIPDIS  
SENSITIVE

E.O. 12958: N/A

TAGS: [PGOV](#) [PINR](#) [ECON](#) [BR](#)

SUBJECT: SAO PAULO MAYOR'S RACE: KASSAB'S PERFORMANCE SOLIDIFIES  
SERRA'S STATUS AS LIKELY PSDB CANDIDATE FOR PRESIDENT IN 2010

REF: A. Liston-Kelly e-mail, 10/6/08

SENSITIVE BUT UNCLASSIFIED--PLEASE PROTECT ACCORDINGLY

¶1. (U) Summary: DEM Party Sao Paulo incumbent Mayor Gilberto Kassab's surprising first-place finish in first-round Sao Paulo mayoral voting against PT candidate Marta Suplicy makes Kassab the favorite for the October 26 second-round vote. Even more important, Kassab's strong showing solidifies PSDB Governor Jose Serra's status as favorite for the 2010 PSDB presidential nomination. Kassab's come-from-behind campaign saw him outpoint Suplicy, who originally led in the polling, and easily vanquish PSDB candidate Geraldo Alckmin. Alckmin was backed by Serra PSDB rival and Minas Gerais Governor Aecio Neves, whose prospects for the PSDB presidential nomination have now dimmed. End Summary.

Kassab's Comeback

¶2. (U) DEM Party Sao Paulo incumbent Mayor Gilberto Kassab surprisingly came out on top of first-round voting in Sao Paulo's 10/5 mayoral elections, narrowly edging out PT candidate Marta Suplicy by a single percentage point (34 percent to 33 percent). Just a few weeks ago, Kassab lagged far behind in polls which showed him coming in third place, behind Suplicy and PSDB candidate Geraldo Alckmin. A strong campaign combined with what most observers acknowledge is Kassab's solid record as Mayor pulled him out in front and now position him as the likely favorite to win the mayorship of Brazil's largest city against PT candidate Suplicy in second-round voting on 10/26. Kassab gains critical momentum from this victory and is likely to be endorsed by the majority of the other candidates.

Looking at 2010

¶3. (SBU) The Sao Paulo mayor's race is widely seen as a warm-up for the 2010 presidential contest, with likely contenders fighting through surrogates. Kassab enjoyed the support of PSDB Governor Jose Serra, under whom he served as vice Mayor as part of a coalition PSDB-DEM administration in the Sao Paulo municipality before Serra's 2006 run for Governor. Encouraged by Minas Gerais Governor Aecio Neves (who also has presidential ambitions), PSDB candidate Geraldo Alckmin threw his hat in the ring. Alckmin started off strong but then, following poor debate performances and a lackluster campaign, wound up garnering only 22 percent of the vote. Most of Alckmin's supporters will likely cast ballots for Kassab in the final vote.

Serra Strengthened

¶4. (SBU) Kassab's performance clearly strengthens Serra's hand in the PSDB, making him the clear favorite to be the party's 2010

presidential nominee. His rival, Neves, also suffered a reverse when another political ally and candidate for the Mayor of Belo Horizonte, Marcio Lacerda (PMDB), did not score a first-round victory as anticipated. Lacerda advances to the second round.

15. (U) This cable was coordinated/cleared by Embassy Brasilia.

WHITE